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19 July 1955

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NATIONAL INTELLIGENCE ESTIMATE
NUMBER 63.1-55

(Supersedes Portions of NIE 63-7-54 on North Vietnam)

PROBABLE DEVELOPMENTS IN NORTH VIETNAM TO JULY 1956

Submitted by the

DIRECTOR OF CENTRAL INTELLIGENCE

The following intelligence organizations participated in the preparation of this estimate: The Central Intelligence Agency and the intelligence organizations of the Departments of State, the Army, the Navy, the Air Force, and The Joint Staff.

Concurred in by the

INTELLIGENCE ADVISORY COMMITTEE

on 19 July 1955. Concurring were the Special Assistant, Intelligence, Department of State; the Assistant Chief of Staff, G-2, Department of the Army; the Director of Naval Intelligence; the Director of Intelligence, USAF; and the Deputy Director for Intelligence, The Joint Staff. The Atomic Energy Commission Representative to the IAC, and the Assistant to the Director, Federal Bureau of Investigation, abstained, the subject being outside of their jurisdiction.

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PROBABLE DEVELOPMENTS IN NORTH VIETNAM TO JULY 1956

(Supersedes Portions of NIE 63–7–54 on North Vietnam)

THE PROBLEM

To analyze the present strengths and weaknesses of North Vietnam and to estimate probable future developments and trends to July 1956.

CONCLUSIONS

1. The immediate concern of the "Democratic Republic of Vietnam" (DRV) is to consolidate its control in the area north of the 17th Parallel and to gain control of South Vietnam. *(Para. 14)*

2. We believe that the DRV will experience no great difficulty in maintaining effective control of North Vietnam during the period of this estimate and will probably retain a considerable measure of prestige and general acceptance. However, passive resistance and discontent resulting from harsh control measures and poor economic conditions may increase toward the end of the period. If the situation in the South does not deteriorate, the nationalist appeal of Ho Chi Minh and the DRV will probably be reduced throughout Vietnam. *(Para. 23)*

3. The DRV is confronted by serious economic problems of which the current rice shortage is the most critical. Its present export potential falls far short of providing sufficient funds to pay for necessary imports. However, the Sino-Soviet Bloc will almost certainly provide sufficient economic and technical assistance to meet minimum requirements for stability and control. With such assistance the DRV will probably make gradual progress in gaining control of the economy and in rehabilitating transportation, irrigation, and industrial facilities. *(Paras. 24–30)*

4. Since the Geneva Conference, the strength of the DRV regular army has been increased substantially by drawing on regional forces to form new units and by the receipt of new and heavier military equipment from Communist China. DRV forces are capable of defeating all military forces, including the French, now located in South Vietnam, Laos, and Cambodia. *(Paras. 31–35)*

5. The present DRV tactic with respect to South Vietnam is to pose as the champion of Vietnamese independence and unification, and as the defender of

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the provisions of the Geneva Agreement.[1] The DRV probably still believes that it could emerge from free nationwide elections with control of all Vietnam. It will attempt to appear reasonable in any negotiations concerning procedures for elections. While the Communists almost certainly would not agree to complex and elaborate safeguards and guarantees, they probably would agree to some form of "neutral" (but not UN) supervision. They would probably estimate that such election controls would work to their advantage in the South and, as manipulated, would not adversely affect their position in the North. *(Paras. 44–45)*

6. In the meantime, the DRV will continue its efforts, through subversion, intimidation, and propaganda, to weaken the Diem government, and to bring to power in the South men prepared to accept a coalition with the DRV. *(Para. 46)*

7. The Communists in their propaganda have revealed sensitivity to the implication of the Manila Pact which incorporated Vietnam, Cambodia, and Laos in its area of protection. We believe that concern for Western, and particularly US reactions, together with general considerations arising from over-all Bloc policy, will prevent the DRV from openly invading the South during the period of this estimate. Similarly, the resumption of widespread guerrilla activities appears unlikely prior to the election deadline, unless the DRV should come to the conclusion that South Vietnam can be won only by force. Such a conclusion would become more likely should the Diem government persist in refusing to enter the election discussions, should election discussions not proceed favorably for the DRV, or should the Diem government succeed, with US assistance, in consolidating its strength to the point of becoming a nationalist alternative to the Ho regime. Moreover, if during the period of this estimate little progress is made towards relaxing tensions, Peiping and Moscow might permit the DRV greater freedom of action. Should the DRV decide to use force short of open invasion, it would probably attempt to undermine the Saigon government by initiating a campaign of sabotage and terror, seeking to formation of a new government more amenable to demands for a national coalition. These tactics are likely to include the activation of DRV guerrilla units now in South Vietnam and their reinforcement by the infiltration in small units of regulars from the North. *(Para. 47)*

8. The DRV will probably refrain from launching an attack with its own forces to seize Laos during the period of this estimate.[2] It will probably continue efforts to convince the Royal Laotian government of the propriety of the DRV attitude toward Laos, while covertly strengthening the rebel Pathet Lao movement. The DRV would probably infiltrate armed units into Laos to assist the Pathet Lao if Royal government military action should seriously threaten the

[1] For an estimate of probable developments in South Vietnam, see NIE 63.1–3–55, "Probable Developments in South Vietnam Through July 1956," to be published in August 1955.

[2] For an estimate of probable developments in Laos, see NIE 63.3–55, "Probable Developments in Laos Through July 1956," to be published in July 1955.

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Pathet Lao position in the northern provinces. *(Paras. 48–49)*

9. The Communists now have few assets in Cambodia and will probably be unable to develop a significant internal threat in that country until their position is greatly strengthened in Laos or South Vietnam.[3] In the meantime, the DRV will probably continue its efforts to promote friendly relations and to secure Cambodia neutrality. *(Para. 50)*

10. We believe the DRV will be willing to continue political and economic contacts with the French. However, it almost certainly will be unwilling to make any agreement which in fact would permit the French to retain an economic and cultural position in North Vietnam. *(Paras. 51–56)*

DISCUSSION

I. INTRODUCTION

11. Under the terms of the Geneva Accords, and with the final withdrawal of French forces from the Haiphong area on 18 May 1955, a Communist regime known as the "Democratic Republic of Vietnam" (DRV) has assumed full responsibility for the administration of the territory of Vietnam north of the 17th Parallel, pending a political settlement and the unification of the country.

12. The DRV, known also as the Viet Minh, was established at the end of the Second World War when a coalition of Vietnamese of all political leanings drew together under the leadership of the veteran Communist, Ho Chi Minh, and proclaimed Vietnamese independence. The DRV openly and frequently professed its solidarity with the Sino-Soviet Bloc after 1949. Since then any loss by the DRV of its Vietnamese support has been offset by a considerable increase in organizational and material strength and by the prestige of victories over French forces.

13. Although the recent assumption of responsibility over 13 million people and several large cities has confronted the DRV with major problems, these problems are not entirely new or unrelated to previous DRV experience. During its years of resistance, which was conducted until 1950 with little or no external assistance and under conditions of severe physical hardship and austerity, the DRV leadership was able to weed out the weak and timid, build an effective army, train a substantial number of experienced cadres and local administators, and obtain considerable experience in the techniques of political control. Thus, when the DRV assumed control of all North Vietnam in 1954, it possessed considerable advantages over the Diem government in terms of military strength and experience, organization and sense of unity and purpose.

14. While the immediate concern of the DRV is to consolidate its control in the North and to gain control of South Vietnam, its longer run objectives almost certainly are to build a strong Communist state in all Vietnam and to assist in the extension of Communist control throughout Southeast Asia.

II. INTERNAL SITUATION AND TRENDS

Stability and Effectiveness of the Regime

15. The DRV is organized on the normal pattern of all Communist "peoples democracies." Although the government of the DRV ostensibly represents all elements in a "united front" grouping (the Lien Viet), actual power resides in the Communist party (the Lao Dong or Workers Party). Out of a total population in North Vietnam of some 13 million, the Lien Viet is estimated to have approximately 8 million members, including the Lao Dong, which

[3] For an estimate of probable developments in Cambodia, see NIE 63.2–55, "Probable Developments in Cambodia Through July 1956," to be published in August 1955.

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claims a membership of approximately one million.

16. The regime is undergoing many administrative modifications in order to cope with the changed situation resulting from the ending of the war. The clandestine shadow government in the Red River delta region, whose organization was probably begun in1946 following the collapse of French-Viet Minh negotiations, is being converted into a normal bureaucracy with overt lines of authority and channels of communication. Although still rather primitive in a technological sense, the government appears effective. Its operations are characterized by close copying of typical Communist planning and organization.

DRV Leadership

17. The DRV owes its success to date in large measure to a cohesive, adaptable, and skilled leadership possessing long experience in the Communist movement and to the prestige acquired in its early years as the focus of the anticolonialist struggle. The greatest deficiencies in the leadership, as in the population at large, are in technological and management skills.

18. Ho Chi Minh, President of the DRV, is probably the ultimate authority within the regime. No other Vietnamese currently possesses his great popular appeal among the Vietnamese as the symbol of nationalism. He also has considerable prestige in Asia and long years of contact with European as well as Asian Communist movements. The other principal DRV leaders appear to be: Vo Nguyen Giap, the capable Commander-in-Chief of the "Vietnam People's Army," apparently second to Ho Chi Minh in national popularity; Truong Chinh, party secretary-general, leading theoretician, and probably second to Ho in the party hierarchy; and Pham Van Dong, DRV Vice-President and Foreign Minister. All of these individuals are members of the Central Committee of the Lao Dong Party.

19. There is no reliable evidence of factionalism at present. However, "normal" competition for personal power is almost certainly present within the top leadership and there exists a potential for disputes over such matters as internal domestic policy, courses of action with respect to South Vietnam, and relations with Communist China. The DRV leadership will probably remain unified throughout the period of this estimate.

Control Policies and Popular Appeal

20. Since the Geneva Conference the regime has been generally successful in imposing its authority throughout North Vietnam. It has employed well-known Communist control methods, including secret police operations, "peoples courts," and large-scale indoctrination. DRV armed forces are far larger than necessary to maintain order and they are supplemented by experienced internal security and intelligence organizations.

21. Extension of the DRV's control has probably been facilitated by the prestige and popular support which accrued to the regime from its victories over the French and by its promises of an improved life for the people in the future. The flight of over 600,000 civilians — mainly Roman Catholics — to the south removed a large portion of those people most inclined to resist Communist indoctrination. Despite shortages of food and consumer goods, the general attitude among the population is probably one of relief that the war is over and of passive acceptance of stern DRV control as the normal pattern of existence.

22. However, the regime will probably face difficulties in obtaining the cooperation of some segments of the population. The remaining Catholic population of approximately 1,000,000 may resist DRV efforts to "nationalize" the church. The substantial ethnic minorities, who live outside the river deltas, have an ingrained dislike for all Vietnamese. In addition, landlords and merchants resent the Communist regime.

23. Nevertheless, we believe that the regime will experience no great difficulty in maintaining effective control in North Vietnam during the period of the estimate, and will probably retain a considerable measure of prestige and general acceptance. Although the DRV will

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use harsh measures where necessary, it will probably place emphasis on subtle and widely advertised appeals for public support through the activities of the National United Front, "patriotic" religious conferences, "autonomous area" governments, and other programs composed primarily of nationalist slogans and appeals. However, passive resistance and discontent due to harsh control measures and poor economic conditions may increase toward the end of the period. Providing the situation in the South has not deteriorated, the Nationalist appeal of Ho Chi Minh and the DRV will probably be reduced throughout Vietnam.

Economic Policies and Courses of Action

24. The DRV is confronted by serious economic problems of which the current rice shortage is the most critical. Prior to 1954, the annual rice deficit of North Vietnam averaged about 200,000 metric tons. As a result of serious crop failures the shortfall of rice in the crop year 1954–1955 increased to an estimated 700,000 metric tons. The DRV has obtained only a few small shipments of rice from South Vietnam, formerly its principal source of supplementary supply, and at least 10,000 tons from Communist China. Despite rationing and other control measures, rice prices in Hanoi have doubled since the Communist occupation, and current reserves are low. Since the spring harvest appears to have been poor, a large portion of the population in North Vietnam may face conditions approaching famine this summer and fall unless substantial quantities of rice are imported.

25. The DRV must also deal with a deficit in its balance of payments position, a situation which has been chronic to the North Vietnam area. The regime must import substantial quantities of textiles, capital goods, military equipment, and petroleum. Supplies of locally manufactured goods will probably be less than in 1954 because the regime lacks trained manpower to operate efficiently the textile mills at Nam Dinh and Haiphong, the cement plant at Haiphong, and other enterprises formerly operated by the French. In view of rehabilitation requirements import needs are unlikely to be less than before the Geneva Agreements when annual imports into the area now held by the Communists totaled about US $100,000,000. The DRV, however, is incapable of financing large-scale imports from its own resources. Maximum exports — including possible 500,000 metric tons of coal, lesser amounts of cement and raw materials — could earn only about US $20,000,000 in 1955.

26. To assist in meeting this problem, the DRV has been negotiating with the Sino-Soviet Bloc for technical and economic assistance. In December 1954, Communist China agreed to supply the necessary equipment and trained personnel to assist in the restoration of railroads, highways, telecommunications, meteorological services, and water conservation projects. Transportation, manufacturing, and other fields of activity in North Vietnam will probably receive long-term support from Communist China. The Chinese Communists have recenty announced a grant of roughly US $300,000,000 although a portion of this may cover assistance already provided. East Germany, Poland, and the Soviet Union have also promised to send needed equipment, machinery, and technicians to assist in training DRV personnel. The USSR has negotiated with Burma for surplus rice which may be shipped to the DRV. We believe that the Bloc will, in any event, provide emergency economic assistance sufficient to avert any serious threat to the stability of the DRV.

27. Although the DRV appears to be developing its trading relations mainly with the Bloc, it has made overtures to South Vietnam for the resumption of economic relations and has attempted to convince the French that mutually profitable trade is possible. Although political considerations predominated in these instances, the DRV certainly realized that it could obtain economic benefits from trade with South Vietnam and France.

28. The rapid rehabilitation of transportation and irrigation facilities, which has been the principal accomplishments of the regime in recent months, demonstrated the DRV's ability to mobilize large pools of unskilled manpower. It also indicates the receipt of fairly substantial economic and technical assistance

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from Bloc countries. The most significant achievement was the restoration in only four months of the 150 mile Hanoi-Dong Dang narrow-gauge railroad line which connects with the Chinese Communist rail net. Rehabilitation of the Hanoi-Lao Kay and Hanoi-Nam Dinh lines, now underway and scheduled for completion in 1955, will further facilitate the distribution of military and economic supplies received from Communist China. If the relatively rapid rehabilitation of irrigation facilities is sustained, food output should be substantially raised within a few years.

29. The DRV has instituted a series of economic measures designed to enhance its overall control. To increase peasant support for the regime, the DRV has pressed its program of land confiscation and rent reductions. Nevertheless, paddy taxes have not been lowered and continue to absorb about 40 percent of the output. Heavy new sales and inventory taxes have been levied on merchants. The scope of private trade has also been diminished through the establishment of wholesale and retail outlets operated by the regime, and further limitations are in prospect.

30. The DRV probably will continue to make gradual economic progress during the period of this estimate. With continued assistance from the Sino-Soviet Bloc, which will almost certainly be forthcoming the DRV will probably be able to meet minimum requirements for foodstuffs and cloth. They will also be able to rehabilitate further their transportation and industrial facilities. Therefore, we believe that economic deficiencies will not seriously threaten the stability of the DRV during the period of this estimate.

Trends in Military Strength

31. Since Geneva, the Viet Minh army has undergone considerable reorganization and its firepower has been greatly increased. The regular army is estimated to total 240,000 troops, the bulk of which are organized into 10 infantry divisions, 2 artillery divisions, 1 AAA groupment, and 25 infantry regiments. Of these at least 4 infantry divisions, 1 artillery division, and 15 infantry regiments have been activated since the summer of 1954. Although regular army strength has increased some 60,000 over the total of a year ago, the over-all strength of the armed forces remains about the same, since the regular forces were built up by drawing men from Regional and Popular units. Regional and Popular troop strengths are estimated to be 37,000 and 75,000 respectively, a decline of some 35 percent from pre-Geneva strengths of each organization.

32. The substantial increase in firepower and mobility of DRV units is primarily the result of large-scale shipments of new arms, ammunition, and other military equipment from Communist China. The volume of these shipments increased markedly in May 1954 and continued at a high rate until last November. Little information is available on the flow of supplies since November. Since July 1954, many of the shipments have violated the Geneva Agreements. There is no firm evidence that the Viet Minh have received armored vehicles.

33. There is no evidence that the DRV has developed a navy or an air force. At present, the DRV "navy" consists of some 100 men with 3 to 5 motorboats operating as a component of the army. There are unconfirmed reports that the Chinese Communists are training DRV personnel preliminary to the creation of a DRV air force, but we have no evidence that the DRV possesses any aircraft or air organization.

34. Since the cessation of hostilities, the DRV has embarked on an extensive training program designed to improve the military effectiveness of units and individuals, and to assure their loyalty to the regime. Although there have been occasional desertions and defections, these have not assumed significant proportions.

35. DRV armed forces currently are capable of maintaining control over the area north of the 17th Parallel, and of defeating the military forces, including the French, now located south of the 17th Parallel. They are also capable of overrunning Laos in a conventional military operation or of providing sufficient logistic support and guerrilla units to enable

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the Communist military forces in Laos to control the northern provinces and other parts of the country remote from main lines of communication.

36. The DRV almost certainly will maintain the superiority of its armed forces in Indochina during the period of this estimate. There will probably be no significant increase in DRV armed numerical strength during the next 12 months, but continuation of the reorganization and training program will increase its over-all military potential.

37. We believe that there may be as many as 10,000 armed Viet Minh personnel remaining in South Vietnam. They are probably organized as cadres and skeletal units. The effectiveness of these units and their ability to expand through local recruitment will depend in large measure on the political appeal of Diem and the effectiveness of his government.

III. EXTERNAL RELATIONS AND POLICIES

38. Since the 1954 Geneva Conference, the DRV's foreign policy appears to have had the following major objectives: (a) increasing the international stature of the DRV; (b) strengthening ties with the World Communist Bloc; (c) accomplishing the unification of South and North Vietnam; (d) retaining the Pathet Lao strongholds in two Laotian provinces, and expanding Communist influence in both Laos and Cambodia with the eventual aim of absorbing both these countries into the Communist Bloc; and (e) establishing friendly relations with the Asian "neutralist" nations on the basis of the "Five Principles" of peaceful coexistence.

39. In the past few months, the DRV has increased its international stature in the non-Communist world. Three non-Communist nations — India, Indonesia, and Pakistan — have granted it *de facto* diplomatic recognition. In addition, since mid-1954, the French have maintained Jean Sainteny as "special representative" to the DRV, and India and Great Britain have established consulates in Hanoi. Prime Minister Nehru of India made a goodwill stop in Hanoi in October 1954, and Vice President Pham Van Dong of the DRV returned Nehru's visit in April 1955. In late November 1954, Prime Minister U Nu of Burma made a goodwill trip to the DRV. DRV participation in the Bandung Conference was further evidence of its status as an independent state.

Relations with the Sino-Soviet Bloc

40. We believe that the DRV is firmly committed to the policies of the Sino-Soviet Bloc, even to the extent of subordinating or postponing the pursuit of its local or regional objectives in the interest of over-all Bloc tactics and strategy. The attitude of DRV leadership follows from its Communist world outlook and from the fact that DRV objectives can only be realized with Sino-Soviet Bloc support.

41. To date both Peiping and Moscow have participated in formulating DRV policies. The DRV has publicly acknowledged that the Soviet Union is the leading power in the international Communist movement. Official declarations have also acknowledged dependence on the Chinese Communists in the fields of ideology and military strategy. Important DRV legislation such as the basic agrarian reform law is modeled closely after early Chinese Communist measures. DRV leaders have frequently compared their own progress with various stages in Communist China's development.

42. Contacts between the DRV and the Chinese Communists have become significant only since the Communist Chinese troops reached the Indochinese border in December 1949. Beginning in 1950, the Chinese Communists assisted the Viet Minh by furnishing military supplies in increasing quantities, training thousands of military personnel in South China, and providing advisors on military, political, and economic matters. At the present time, large numbers of Chinese Communist technicians are in North Vietnam to assist the DRV in improving transportation and communication facilities. It is probable that economic assistance from both the Soviet Union and Communist China will be maintained and perhaps increased.

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43. Despite its close ties with and dependence on Peiping and Moscow, the DRV appears to have greater latitude in its actions than the European Satellites. A number of considerations account for this special status. The Viet Minh fought its own fight against French colonialism. The DRV possesses an army and security organization developed independently of Sino-Soviet material assistance prior to 1950. Finally, the DRV can play an important role in furthering Bloc interests in SEA, particularly if permitted the appearance of independence.

Policies Toward Vietnam

44. Since the Geneva Agreement, DRV policy toward South Vietnam has aimed primarily at preventing the formation of an effective nationalist Vietnamese government and at extending Communist control through "coalition," elections, subversion, or other means short of open invasion. The DRV is attempting to pose as the champion of Vietnamese independence and unification. It has made a show of adhering to the Geneva Agreement, and has attempted in various ways to insure French support for the election provisions of the Agreement. The DRV endorsed the actions of the Binh Xuyen-controlled "United Front of the Sects" which the Viet Minh radio blessed as "working with the people" for the overthrow of Diem. In addition, the DRV has called for the resumption of "normal and peaceful" relations between the two zones of Vietnam as rapidly as possible. This campaign for normal relations, which the DRV probably hope will lead to a coalition government for the whole of Vietnam even prior to elections in 1956, was intensified in March and April with repeated concrete proposals to the Vietnamese government for economic and cultural exchanges.

45. Throughout the period of this estimate DRV policies with respect to South Vietnam and national elections will be conditioned by the requirements of Bloc strategy in Asia and by DRV estimates of the prospects for peaceful unification under a Communist-controlled regime. The DRV probably still believes that it could emerge from free nationwide elections with control of all Vietnam. The DRV, with Bloc support, has been insisting that consultations concerning elections begin on 20 July as specified in the Geneva Agreement. If the consultations get underway the DRV will attempt to appear reasonable with respect to election procedures. It will seek to develop Indian, French, and UK pressures for holding elections. The Communists almost certainly would not agree to complex and elaborate safeguards and guarantees, including neutral supervision over the movements of police and military forces for a considerable time prior to and after the elections. Nevertheless, they probably would agree to some form of "free elections" under "neutral" but not UN supervision. Their willingness to consent to some guarantees for "free elections" would probably be reinforced by an estimate that such controls would work to their advantage in the South and, as manipulated, would not adversely affect their position in the North.

46. The DRV's ostensibly peaceful role probably will not prevent continued efforts to infiltrate and subvert the Vietnamese government, political organizations, and sects. The Communists will seek to bring to power in South Vietnam a government which would be willing to join with the North in establishing a national government prior to general elections. Failing this, they will seek to prevent the development of a strong and effective government in the South which could offer the Vietnamese people an attractive nationalist alternative to the Ho regime.

47. The Communists in their propaganda have revealed sensitivity to the implication of the Manila Pact which incorporated Vietnam, Cambodia, and Laos in its area of protection. We believe that concern for Western, and particularly US reactions, together with general considerations arising from over-all Bloc policy, will prevent the DRV from openly invading the South during the period of this estimate. Similarly the resumption of widespread guerrilla activities appears unlikely prior to the election deadline, unless the DRV should come to the conclusion that South Vietnam can be won only by force. Such a conclusion would become more likely should the Diem

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government persist in refusing to enter the election discussions, should election discussions not proceed favorably for the DRV, or should the Diem government succeed with US assistance, in consolidating its strength to the point of becoming a nationalist alternative to the Ho regime. Moreover, if during the period of this estimate little progress is made towards relaxing tensions, Peiping and Moscow might permit the DRV greater freedom of action. Should the DRV decide to use force short of open invasion, it would probably attempt to undermine the Saigon government by initiating a campaign of sabotage and terror, seeking the formation of a new government more amenable to demands for a national coalition. These tactics are likely to include the activation of DRV guerrilla units now in South Vietnam and their reinforcement by the infiltration in small units of regulars from the North.

Policies Toward Laos

48. High on the list of DRV objectives is the establishment of a Communist government in Laos. Control of this area would greatly facilitate Communist penetrations of South Vietnam, Cambodia, and Thailand. DRV operations in Laos are facilitated by the presence of a Communist movement, the Pathet Lao, which is largely the creation and puppet of the Viet Minh. The DRV has covertly contributed material and technical assistance to the Pathet Lao "regime." It has supported the Pathet Lao claim that the Geneva Agreements granted it administrative control over the Laotian provinces of Sam Neua and Phong Saly. It has also supported the Pathet Lao proposal for the establishment of a "joint consultative council" composed of representatives of the Royal Laotian government and of the Pathet Lao "regime." Its objective probably is the creation of a coalition government under terms favorable to the Pathet Lao. At the same time, the DRV has sought to convince the Royal Laotian government that the Pathet Lao is not a puppet of the Viet Minh. To this end, DRV Foreign Minister Dong assured the Laotian Prime Minister, while at Bandung, that the DRV considered the Pathet Lao an internal Laotian problem which should be settled by the Laotians themselves.

49. During the period of this estimate, the Viet Minh will probably continue their present tactics of officially seeking to develop friendly relations with the Royal Laotian government while continuing their covert efforts to strengthen the Pathet Lao. The DRV almost certainly will not launch an attack with its own forces to seize Laos, and it probably will not initiate a major Pathet Lao guerrilla offensive against the Laotian government. However, if the Royal Laotian government should undertake military action which seriously threatened the position of the Pathet Lao in the two northern provinces the DRV would probably infiltrate Viet Minh units to assist the Pathet Lao.

Policies Toward Cambodia

50. Pending the achievement of objectives in Vietnam and Laos and pending the development of a stronger Communist organization in Cambodia, the Viet Minh will probably concentrate on fostering Cambodian neutrality. The DRV has professed friendship for the Royal Cambodian government, and has claimed to have withdrawn all DRV armed forces from Cambodia. It has ceased its propaganda attacks against the Royal government, and apparently has sought a mutual declaration of support of the "Five Principles" by the two governments. Nevertheless, the DRV is probably continuing its efforts to develop Communist strength in Cambodia, although to date it appears to have made little progress.

Relations with France

51. DRV policy towards France has apparently been designed to encourage the French to give full support for holding elections in 1956, to reduce French support for a non-Communist government in Vietnam, and to create conflicts between French and US policy. The DRV, while almost certainly aiming at the eventual elimination of French influence in all of Vietnam, has played upon the French desire to retain an economic and cultural role in that area.

52. The Communist apparently impressed the French at the Geneva Conference by

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their moderation. In an exchange of letters between Viet Minh Prime Minister Pham Van Dong and Premier Mendes-France, the DRV indicated agreement in principle to the maintenance of French economic and cultural establishments north of the 17th Parallel. Many French believed that the DRV, because of its difficult economic situation and its supposed reluctance to rely solely on China, might be sincere in its desire to see the French maintain their economic and cultural institutions in the country. Some French officials also believed that a conciliatory policy would lead the Viet Minh to loosen its ties with the Sino-Soviet Bloc.

53. However, the French have had little success in retaining their economic position in North Vietnam and there are no indications of any significant expansion of trade between France and North Vietnam. French business enterprises were reluctant to maintain their capital investment in the area without guarantees from their government. Sainteny and his government endeavored to push through a plan for the establishment of jointly owned companies in which the French government would provide capital and control of management. This plan was subsequently abandoned because of strong US opposition and probably because of the DRV's refusal to leave management in French hands. As a result, the *Charbonnages du Tonkin,* which was being used as a test case, was sold to the DRV for one million tons of coal, (presently worth about 5 billion francs) payable over 15 years by annual allocations. The French, moreover, agreed to maintain 30 or 40 technicians in the DRV-owned company to assist production.

54. The French now appear aware that there is little possibility of maintaining investments and cultural establishments in North Vietnam. The French government has expressed disappointment with the results of the Sainteny mission and have hinted that it will be discontinued in the event that Sainteny himself should relinquish the assignment. Nevertheless, it has felt compelled to continue negotiations with the DRV because of domestic political pressures and because it believes that such a course offers additional guarantees against the recurrence of hostilities while the French Expeditionary Forces are still in Indochina.

55. However, in their dealings with the DRV, the French have been careful to avoid giving the appearance of political support to the regime. They appear to have resisted DRV attempts to accredit a delegate-general to Paris. They have worked to facilitate the emigration of non-Communist elements to South Vietnam and have supported requests for an extension of the time limit allowed for North Vietnam refugees to move to the South. Finally, they have been careful to avoid alienating the US and in such matters as the removal of US equipment from the *Charbonnages du Tonkin* and abandonment of plans for government participation in mixed companies, and they have placed greater emphasis on maintaining their ties with the US than on supporting their economic ambitions in North Vietnam.

56. The DRV almost certainly will be willing to continue to negotiate with France, hoping thereby to exacerbate US-French relations and to prevent all-out French support for the non-Communist Vietnamese government in the South. However, the DRV almost certainly will be unwilling to make any agreement which in fact would permit the French to retain an economic and cultural position in North Vietnam.

57. In regard to elections, the primary concern of the French government will be to avoid the development of an impasse that would result in renewed hostilities and the involvement of its forces. It will probably insist that elections be held as scheduled but is likely to strive for arrangements that will at least delay direct DRV control over the South.

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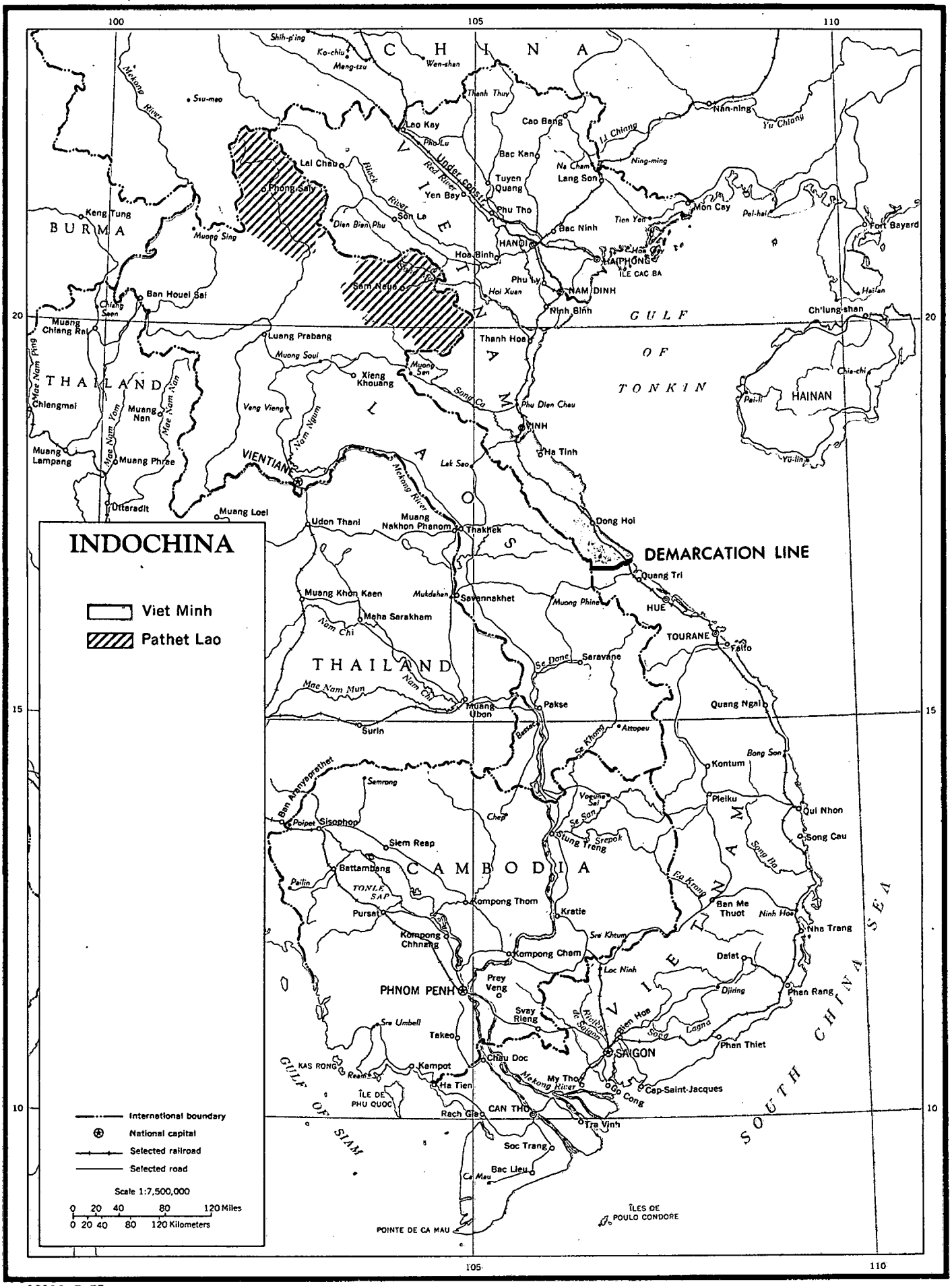
INDOCHINA
Viet Minh
Pathet Lao
International boundary
National capital
Selected railroad
Selected road
Scale 1:7,500,000
0 20 40 80 120 Miles
0 20 40 80 120 Kilometers
DEMARCATION LINE
CHINA
BURMA
THAILAND
LAOS
CAMBODIA
VIETNAM
GULF OF TONKIN
SOUTH CHINA SEA
GULF OF SIAM
HANOI
HAIPHONG
NAM DINH
Ninh Binh
Thanh Hoa
Vinh
Ha Tinh
Dong Hoi
Quang Tri
HUE
TOURANE
Quang Ngai
Qui Nhon
Nha Trang
Phan Rang
Phan Thiet
SAIGON
Dalat
Pleiku
Kontum
Ban Me Thuot
PHNOM PENH
Kompong Cham
Kompong Thom
Kompong Chhnang
Kratie
Takeo
Kampot
Ha Tien
Chau Doc
My Tho
Cap-Saint-Jacques
CAN THO
Tra Vinh
Soc Trang
Bac Lieu
Ca Mau
POINTE DE CA MAU
ÎLE DE PHU QUOC
ÎLES DE POULO CONDORE
HAINAN
Hon Gay
Cam Pha
Ile Cac Ba
Lao Kay
Cao Bang
Lang Son
Bac Kan
Tuyen Quang
Phu Tho
Bac Ninh
Yen Bay
Lai Chau
Phong Saly
Son La
Dien Bien Phu
Muong Sing
Keng Tung
Ban Houei Sai
Muang Chiang Rai
Chiang Saen
Luang Prabang
Muong Soui
Xieng Khouang
Muong Sen
Phu Dien Chau
Vinh
Vieng Vieng
Nam Ngum
VIENTIANE
Lak Sao
Mae Nam Ping
Mae Nam Yom
Mae Nam Nan
Chiengmai
Muang Nan
Muang Lampang
Muang Phrae
Utteradit
Muang Loei
Udon Thani
Muang Nakhon Phanom
Thakhek
Muang Khon Kaen
Mukdahan
Savannakhet
Muong Phine
Maha Sarakham
Nam Chi
Mae Nam Mun
Roi Et
Surin
Ubon
Pakse
Saravane
Se Done
Attopeu
Se Khong
Bassac
Samrong
Ban Ampyprathet
Poipet
Sisophon
Siem Reap
Battambang
Pailin
TONLE SAP
Pursat
Se San
Stung Treng
Srepok
Song Ha
Ea Krong
Song Cau
Bong Son
Ninh Hoa
Sre Khtum
Loc Ninh
Prey Veng
Svay Rieng
Takeo
Sre Umbell
KAS RONG
Reams
Rivière Saigon
Bien Hoa
Song Lagna
Mekong River
Go Cong
Tra Vinh
Soc Trang
Bac Lieu
Ca Mau
Hon Gay
Cam Pha
Ile Cac Ba
Haiphong
Hoa Binh
Phu Ly
Hoi Xuan
Ninh Binh
Thanh Hoa
Vinh
Ha Tinh
Dong Hoi
Quang Tri
Hue
Tourane
Faifo
Quang Ngai
Qui Nhon
Song Cau
Nha Trang
Phan Rang
Phan Thiet
Saigon
Dalat
Pleiku
Kontum
Ban Me Thuot
Kompong Cham
Kompong Thom
Kompong Chhnang
Pursat
Kratie
Phnom Penh
Takeo
Kampot
Ha Tien
Chau Doc
My Tho
Cap-Saint-Jacques
Can Tho
Tra Vinh
Soc Trang
Bac Lieu
Ca Mau
Pointe de Ca Mau
Iles de Poulo Condore
Ile de Phu Quoc
Kas Rong
Gulf of Siam
South China Sea
Vietnam
Cambodia
Laos
Thailand
Burma
China
Hainan
Ch'lung-shan
Chia-chi
Pei-hai
Fort Bayard
Nan-ning
Yu Chiang
Li Chiang
Ning-ming
Na Cham
Tien Yen
Mon Cay
Hai-an
Yü-lin
Pei-li
Shih-p'ing
Ko-chiu
Meng-tzu
Wen-shan
Ssu-meo
Thanh Thuy
Pho Lu
Under construction
Red River
Black River
Mekong River
Song Ma
Song Ca
Song Hong
Song Da
Song Lo
Song Chay
Song Thao
Song Ba
Song Dong Nai
Song Vam Co
Song Mekong
Song Bassac
Song Tien
Song Hau
Song Ca Mau
Song Rach Gia
Song Cai Lon
Song Cai Be
Song Saigon
Song Vam Co Dong
Song Vam Co Tay

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